



Rep. LaToya Greenwood

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LRB101 02900 RJF 59433 a

1 AMENDMENT TO HOUSE BILL 139

2 AMENDMENT NO. _____. Amend House Bill 139 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Section 10 as follows:

6 (5 ILCS 375/10) (from Ch. 127, par. 530)

7 Sec. 10. Contributions by the State and members.

8 (a) The State shall pay the cost of basic non-contributory
9 group life insurance and, subject to member paid contributions
10 set by the Department or required by this Section and except as
11 provided in this Section, the basic program of group health
12 benefits on each eligible member, except a member, not
13 otherwise covered by this Act, who has retired as a
14 participating member under Article 2 of the Illinois Pension
15 Code but is ineligible for the retirement annuity under Section
16 2-119 of the Illinois Pension Code, and part of each eligible

1 member's and retired member's premiums for health insurance
2 coverage for enrolled dependents as provided by Section 9. The
3 State shall pay the cost of the basic program of group health
4 benefits only after benefits are reduced by the amount of
5 benefits covered by Medicare for all members and dependents who
6 are eligible for benefits under Social Security or the Railroad
7 Retirement system or who had sufficient Medicare-covered
8 government employment, except that such reduction in benefits
9 shall apply only to those members and dependents who (1) first
10 become eligible for such Medicare coverage on or after July 1,
11 1992; or (2) are Medicare-eligible members or dependents of a
12 local government unit which began participation in the program
13 on or after July 1, 1992; or (3) remain eligible for, but no
14 longer receive Medicare coverage which they had been receiving
15 on or after July 1, 1992. The Department may determine the
16 aggregate level of the State's contribution on the basis of
17 actual cost of medical services adjusted for age, sex or
18 geographic or other demographic characteristics which affect
19 the costs of such programs.

20 The cost of participation in the basic program of group
21 health benefits for the dependent or survivor of a living or
22 deceased retired employee who was formerly employed by the
23 University of Illinois in the Cooperative Extension Service and
24 would be an annuitant but for the fact that he or she was made
25 ineligible to participate in the State Universities Retirement
26 System by clause (4) of subsection (a) of Section 15-107 of the

1 Illinois Pension Code shall not be greater than the cost of
2 participation that would otherwise apply to that dependent or
3 survivor if he or she were the dependent or survivor of an
4 annuitant under the State Universities Retirement System.

5 (a-1) (Blank).

6 (a-2) (Blank).

7 (a-3) (Blank).

8 (a-4) (Blank).

9 (a-5) (Blank).

10 (a-6) (Blank).

11 (a-7) (Blank).

12 (a-8) Any annuitant, survivor, or retired employee may
13 waive or terminate coverage in the program of group health
14 benefits. Any such annuitant, survivor, or retired employee who
15 has waived or terminated coverage may enroll or re-enroll in
16 the program of group health benefits only during the annual
17 benefit choice period, as determined by the Director. In ~~†~~
18 ~~except that in~~ the event of termination of coverage due to
19 nonpayment of premiums, the annuitant, survivor, or retired
20 employee may not re-enroll in the program, except as otherwise
21 provided in subsection (a-8.3).

22 (a-8.3) Beginning on the effective date of this amendatory
23 Act of the 101st General Assembly, an annuitant, survivor, or
24 retired employee whose coverage has been terminated for
25 nonpayment of premiums between January 1, 2018 and January 1,
26 2019 may re-enroll in the program during the next annual

1 benefit choice period, as determined by the Director, if he or
2 she has fully paid all previous nonpayments prior to that
3 re-enrollment. This subsection (a-8.3) is inoperative on and
4 after January 1, 2021.

5 (a-8.5) Beginning on the effective date of this amendatory
6 Act of the 97th General Assembly, the Director of Central
7 Management Services shall, on an annual basis, determine the
8 amount that the State shall contribute toward the basic program
9 of group health benefits on behalf of annuitants (including
10 individuals who (i) participated in the General Assembly
11 Retirement System, the State Employees' Retirement System of
12 Illinois, the State Universities Retirement System, the
13 Teachers' Retirement System of the State of Illinois, or the
14 Judges Retirement System of Illinois and (ii) qualify as
15 annuitants under subsection (b) of Section 3 of this Act),
16 survivors (including individuals who (i) receive an annuity as
17 a survivor of an individual who participated in the General
18 Assembly Retirement System, the State Employees' Retirement
19 System of Illinois, the State Universities Retirement System,
20 the Teachers' Retirement System of the State of Illinois, or
21 the Judges Retirement System of Illinois and (ii) qualify as
22 survivors under subsection (q) of Section 3 of this Act), and
23 retired employees (as defined in subsection (p) of Section 3 of
24 this Act). The remainder of the cost of coverage for each
25 annuitant, survivor, or retired employee, as determined by the
26 Director of Central Management Services, shall be the

1 responsibility of that annuitant, survivor, or retired
2 employee.

3 Contributions required of annuitants, survivors, and
4 retired employees shall be the same for all retirement systems
5 and shall also be based on whether an individual has made an
6 election under Section 15-135.1 of the Illinois Pension Code.
7 Contributions may be based on annuitants', survivors', or
8 retired employees' Medicare eligibility, but may not be based
9 on Social Security eligibility.

10 (a-9) No later than May 1 of each calendar year, the
11 Director of Central Management Services shall certify in
12 writing to the Executive Secretary of the State Employees'
13 Retirement System of Illinois the amounts of the Medicare
14 supplement health care premiums and the amounts of the health
15 care premiums for all other retirees who are not Medicare
16 eligible.

17 A separate calculation of the premiums based upon the
18 actual cost of each health care plan shall be so certified.

19 The Director of Central Management Services shall provide
20 to the Executive Secretary of the State Employees' Retirement
21 System of Illinois such information, statistics, and other data
22 as he or she may require to review the premium amounts
23 certified by the Director of Central Management Services.

24 The Department of Central Management Services, or any
25 successor agency designated to procure healthcare contracts
26 pursuant to this Act, is authorized to establish funds,

1 separate accounts provided by any bank or banks as defined by
2 the Illinois Banking Act, or separate accounts provided by any
3 savings and loan association or associations as defined by the
4 Illinois Savings and Loan Act of 1985 to be held by the
5 Director, outside the State treasury, for the purpose of
6 receiving the transfer of moneys from the Local Government
7 Health Insurance Reserve Fund. The Department may promulgate
8 rules further defining the methodology for the transfers. Any
9 interest earned by moneys in the funds or accounts shall inure
10 to the Local Government Health Insurance Reserve Fund. The
11 transferred moneys, and interest accrued thereon, shall be used
12 exclusively for transfers to administrative service
13 organizations or their financial institutions for payments of
14 claims to claimants and providers under the self-insurance
15 health plan. The transferred moneys, and interest accrued
16 thereon, shall not be used for any other purpose including, but
17 not limited to, reimbursement of administration fees due the
18 administrative service organization pursuant to its contract
19 or contracts with the Department.

20 (a-10) To the extent that participation, benefits, or
21 premiums under this Act are based on a person's service credit
22 under an Article of the Illinois Pension Code, service credit
23 terminated in exchange for an accelerated pension benefit
24 payment under Section 14-147.5, 15-185.5, or 16-190.5 of that
25 Code shall be included in determining a person's service credit
26 for the purposes of this Act.

1 (b) State employees who become eligible for this program on
2 or after January 1, 1980 in positions normally requiring actual
3 performance of duty not less than 1/2 of a normal work period
4 but not equal to that of a normal work period, shall be given
5 the option of participating in the available program. If the
6 employee elects coverage, the State shall contribute on behalf
7 of such employee to the cost of the employee's benefit and any
8 applicable dependent supplement, that sum which bears the same
9 percentage as that percentage of time the employee regularly
10 works when compared to normal work period.

11 (c) The basic non-contributory coverage from the basic
12 program of group health benefits shall be continued for each
13 employee not in pay status or on active service by reason of
14 (1) leave of absence due to illness or injury, (2) authorized
15 educational leave of absence or sabbatical leave, or (3)
16 military leave. This coverage shall continue until expiration
17 of authorized leave and return to active service, but not to
18 exceed 24 months for leaves under item (1) or (2). This
19 24-month limitation and the requirement of returning to active
20 service shall not apply to persons receiving ordinary or
21 accidental disability benefits or retirement benefits through
22 the appropriate State retirement system or benefits under the
23 Workers' Compensation or Occupational Disease Act.

24 (d) The basic group life insurance coverage shall continue,
25 with full State contribution, where such person is (1) absent
26 from active service by reason of disability arising from any

1 cause other than self-inflicted, (2) on authorized educational
2 leave of absence or sabbatical leave, or (3) on military leave.

3 (e) Where the person is in non-pay status for a period in
4 excess of 30 days or on leave of absence, other than by reason
5 of disability, educational or sabbatical leave, or military
6 leave, such person may continue coverage only by making
7 personal payment equal to the amount normally contributed by
8 the State on such person's behalf. Such payments and coverage
9 may be continued: (1) until such time as the person returns to
10 a status eligible for coverage at State expense, but not to
11 exceed 24 months or (2) until such person's employment or
12 annuitant status with the State is terminated (exclusive of any
13 additional service imposed pursuant to law).

14 (f) The Department shall establish by rule the extent to
15 which other employee benefits will continue for persons in
16 non-pay status or who are not in active service.

17 (g) The State shall not pay the cost of the basic
18 non-contributory group life insurance, program of health
19 benefits and other employee benefits for members who are
20 survivors as defined by paragraphs (1) and (2) of subsection
21 (q) of Section 3 of this Act. The costs of benefits for these
22 survivors shall be paid by the survivors or by the University
23 of Illinois Cooperative Extension Service, or any combination
24 thereof. However, the State shall pay the amount of the
25 reduction in the cost of participation, if any, resulting from
26 the amendment to subsection (a) made by this amendatory Act of

1 the 91st General Assembly.

2 (h) Those persons occupying positions with any department
3 as a result of emergency appointments pursuant to Section 8b.8
4 of the Personnel Code who are not considered employees under
5 this Act shall be given the option of participating in the
6 programs of group life insurance, health benefits and other
7 employee benefits. Such persons electing coverage may
8 participate only by making payment equal to the amount normally
9 contributed by the State for similarly situated employees. Such
10 amounts shall be determined by the Director. Such payments and
11 coverage may be continued until such time as the person becomes
12 an employee pursuant to this Act or such person's appointment
13 is terminated.

14 (i) Any unit of local government within the State of
15 Illinois may apply to the Director to have its employees,
16 annuitants, and their dependents provided group health
17 coverage under this Act on a non-insured basis. To participate,
18 a unit of local government must agree to enroll all of its
19 employees, who may select coverage under either the State group
20 health benefits plan or a health maintenance organization that
21 has contracted with the State to be available as a health care
22 provider for employees as defined in this Act. A unit of local
23 government must remit the entire cost of providing coverage
24 under the State group health benefits plan or, for coverage
25 under a health maintenance organization, an amount determined
26 by the Director based on an analysis of the sex, age,

1 geographic location, or other relevant demographic variables
2 for its employees, except that the unit of local government
3 shall not be required to enroll those of its employees who are
4 covered spouses or dependents under this plan or another group
5 policy or plan providing health benefits as long as (1) an
6 appropriate official from the unit of local government attests
7 that each employee not enrolled is a covered spouse or
8 dependent under this plan or another group policy or plan, and
9 (2) at least 50% of the employees are enrolled and the unit of
10 local government remits the entire cost of providing coverage
11 to those employees, except that a participating school district
12 must have enrolled at least 50% of its full-time employees who
13 have not waived coverage under the district's group health plan
14 by participating in a component of the district's cafeteria
15 plan. A participating school district is not required to enroll
16 a full-time employee who has waived coverage under the
17 district's health plan, provided that an appropriate official
18 from the participating school district attests that the
19 full-time employee has waived coverage by participating in a
20 component of the district's cafeteria plan. For the purposes of
21 this subsection, "participating school district" includes a
22 unit of local government whose primary purpose is education as
23 defined by the Department's rules.

24 Employees of a participating unit of local government who
25 are not enrolled due to coverage under another group health
26 policy or plan may enroll in the event of a qualifying change

1 in status, special enrollment, special circumstance as defined
2 by the Director, or during the annual Benefit Choice Period. A
3 participating unit of local government may also elect to cover
4 its annuitants. Dependent coverage shall be offered on an
5 optional basis, with the costs paid by the unit of local
6 government, its employees, or some combination of the two as
7 determined by the unit of local government. The unit of local
8 government shall be responsible for timely collection and
9 transmission of dependent premiums.

10 The Director shall annually determine monthly rates of
11 payment, subject to the following constraints:

12 (1) In the first year of coverage, the rates shall be
13 equal to the amount normally charged to State employees for
14 elected optional coverages or for enrolled dependents
15 coverages or other contributory coverages, or contributed
16 by the State for basic insurance coverages on behalf of its
17 employees, adjusted for differences between State
18 employees and employees of the local government in age,
19 sex, geographic location or other relevant demographic
20 variables, plus an amount sufficient to pay for the
21 additional administrative costs of providing coverage to
22 employees of the unit of local government and their
23 dependents.

24 (2) In subsequent years, a further adjustment shall be
25 made to reflect the actual prior years' claims experience
26 of the employees of the unit of local government.

1 In the case of coverage of local government employees under
2 a health maintenance organization, the Director shall annually
3 determine for each participating unit of local government the
4 maximum monthly amount the unit may contribute toward that
5 coverage, based on an analysis of (i) the age, sex, geographic
6 location, and other relevant demographic variables of the
7 unit's employees and (ii) the cost to cover those employees
8 under the State group health benefits plan. The Director may
9 similarly determine the maximum monthly amount each unit of
10 local government may contribute toward coverage of its
11 employees' dependents under a health maintenance organization.

12 Monthly payments by the unit of local government or its
13 employees for group health benefits plan or health maintenance
14 organization coverage shall be deposited in the Local
15 Government Health Insurance Reserve Fund.

16 The Local Government Health Insurance Reserve Fund is
17 hereby created as a nonappropriated trust fund to be held
18 outside the State Treasury, with the State Treasurer as
19 custodian. The Local Government Health Insurance Reserve Fund
20 shall be a continuing fund not subject to fiscal year
21 limitations. The Local Government Health Insurance Reserve
22 Fund is not subject to administrative charges or charge-backs,
23 including but not limited to those authorized under Section 8h
24 of the State Finance Act. All revenues arising from the
25 administration of the health benefits program established
26 under this Section shall be deposited into the Local Government

1 Health Insurance Reserve Fund. Any interest earned on moneys in
2 the Local Government Health Insurance Reserve Fund shall be
3 deposited into the Fund. All expenditures from this Fund shall
4 be used for payments for health care benefits for local
5 government and rehabilitation facility employees, annuitants,
6 and dependents, and to reimburse the Department or its
7 administrative service organization for all expenses incurred
8 in the administration of benefits. No other State funds may be
9 used for these purposes.

10 A local government employer's participation or desire to
11 participate in a program created under this subsection shall
12 not limit that employer's duty to bargain with the
13 representative of any collective bargaining unit of its
14 employees.

15 (j) Any rehabilitation facility within the State of
16 Illinois may apply to the Director to have its employees,
17 annuitants, and their eligible dependents provided group
18 health coverage under this Act on a non-insured basis. To
19 participate, a rehabilitation facility must agree to enroll all
20 of its employees and remit the entire cost of providing such
21 coverage for its employees, except that the rehabilitation
22 facility shall not be required to enroll those of its employees
23 who are covered spouses or dependents under this plan or
24 another group policy or plan providing health benefits as long
25 as (1) an appropriate official from the rehabilitation facility
26 attests that each employee not enrolled is a covered spouse or

1 dependent under this plan or another group policy or plan, and
2 (2) at least 50% of the employees are enrolled and the
3 rehabilitation facility remits the entire cost of providing
4 coverage to those employees. Employees of a participating
5 rehabilitation facility who are not enrolled due to coverage
6 under another group health policy or plan may enroll in the
7 event of a qualifying change in status, special enrollment,
8 special circumstance as defined by the Director, or during the
9 annual Benefit Choice Period. A participating rehabilitation
10 facility may also elect to cover its annuitants. Dependent
11 coverage shall be offered on an optional basis, with the costs
12 paid by the rehabilitation facility, its employees, or some
13 combination of the 2 as determined by the rehabilitation
14 facility. The rehabilitation facility shall be responsible for
15 timely collection and transmission of dependent premiums.

16 The Director shall annually determine quarterly rates of
17 payment, subject to the following constraints:

18 (1) In the first year of coverage, the rates shall be
19 equal to the amount normally charged to State employees for
20 elected optional coverages or for enrolled dependents
21 coverages or other contributory coverages on behalf of its
22 employees, adjusted for differences between State
23 employees and employees of the rehabilitation facility in
24 age, sex, geographic location or other relevant
25 demographic variables, plus an amount sufficient to pay for
26 the additional administrative costs of providing coverage

1 to employees of the rehabilitation facility and their
2 dependents.

3 (2) In subsequent years, a further adjustment shall be
4 made to reflect the actual prior years' claims experience
5 of the employees of the rehabilitation facility.

6 Monthly payments by the rehabilitation facility or its
7 employees for group health benefits shall be deposited in the
8 Local Government Health Insurance Reserve Fund.

9 (k) Any domestic violence shelter or service within the
10 State of Illinois may apply to the Director to have its
11 employees, annuitants, and their dependents provided group
12 health coverage under this Act on a non-insured basis. To
13 participate, a domestic violence shelter or service must agree
14 to enroll all of its employees and pay the entire cost of
15 providing such coverage for its employees. The domestic
16 violence shelter shall not be required to enroll those of its
17 employees who are covered spouses or dependents under this plan
18 or another group policy or plan providing health benefits as
19 long as (1) an appropriate official from the domestic violence
20 shelter attests that each employee not enrolled is a covered
21 spouse or dependent under this plan or another group policy or
22 plan and (2) at least 50% of the employees are enrolled and the
23 domestic violence shelter remits the entire cost of providing
24 coverage to those employees. Employees of a participating
25 domestic violence shelter who are not enrolled due to coverage
26 under another group health policy or plan may enroll in the

1 event of a qualifying change in status, special enrollment, or
2 special circumstance as defined by the Director or during the
3 annual Benefit Choice Period. A participating domestic
4 violence shelter may also elect to cover its annuitants.
5 Dependent coverage shall be offered on an optional basis, with
6 employees, or some combination of the 2 as determined by the
7 domestic violence shelter or service. The domestic violence
8 shelter or service shall be responsible for timely collection
9 and transmission of dependent premiums.

10 The Director shall annually determine rates of payment,
11 subject to the following constraints:

12 (1) In the first year of coverage, the rates shall be
13 equal to the amount normally charged to State employees for
14 elected optional coverages or for enrolled dependents
15 coverages or other contributory coverages on behalf of its
16 employees, adjusted for differences between State
17 employees and employees of the domestic violence shelter or
18 service in age, sex, geographic location or other relevant
19 demographic variables, plus an amount sufficient to pay for
20 the additional administrative costs of providing coverage
21 to employees of the domestic violence shelter or service
22 and their dependents.

23 (2) In subsequent years, a further adjustment shall be
24 made to reflect the actual prior years' claims experience
25 of the employees of the domestic violence shelter or
26 service.

1 Monthly payments by the domestic violence shelter or
2 service or its employees for group health insurance shall be
3 deposited in the Local Government Health Insurance Reserve
4 Fund.

5 (1) A public community college or entity organized pursuant
6 to the Public Community College Act may apply to the Director
7 initially to have only annuitants not covered prior to July 1,
8 1992 by the district's health plan provided health coverage
9 under this Act on a non-insured basis. The community college
10 must execute a 2-year contract to participate in the Local
11 Government Health Plan. Any annuitant may enroll in the event
12 of a qualifying change in status, special enrollment, special
13 circumstance as defined by the Director, or during the annual
14 Benefit Choice Period.

15 The Director shall annually determine monthly rates of
16 payment subject to the following constraints: for those
17 community colleges with annuitants only enrolled, first year
18 rates shall be equal to the average cost to cover claims for a
19 State member adjusted for demographics, Medicare
20 participation, and other factors; and in the second year, a
21 further adjustment of rates shall be made to reflect the actual
22 first year's claims experience of the covered annuitants.

23 (1-5) The provisions of subsection (1) become inoperative
24 on July 1, 1999.

25 (m) The Director shall adopt any rules deemed necessary for
26 implementation of this amendatory Act of 1989 (Public Act

1 86-978).

2 (n) Any child advocacy center within the State of Illinois
3 may apply to the Director to have its employees, annuitants,
4 and their dependents provided group health coverage under this
5 Act on a non-insured basis. To participate, a child advocacy
6 center must agree to enroll all of its employees and pay the
7 entire cost of providing coverage for its employees. The child
8 advocacy center shall not be required to enroll those of its
9 employees who are covered spouses or dependents under this plan
10 or another group policy or plan providing health benefits as
11 long as (1) an appropriate official from the child advocacy
12 center attests that each employee not enrolled is a covered
13 spouse or dependent under this plan or another group policy or
14 plan and (2) at least 50% of the employees are enrolled and the
15 child advocacy center remits the entire cost of providing
16 coverage to those employees. Employees of a participating child
17 advocacy center who are not enrolled due to coverage under
18 another group health policy or plan may enroll in the event of
19 a qualifying change in status, special enrollment, or special
20 circumstance as defined by the Director or during the annual
21 Benefit Choice Period. A participating child advocacy center
22 may also elect to cover its annuitants. Dependent coverage
23 shall be offered on an optional basis, with the costs paid by
24 the child advocacy center, its employees, or some combination
25 of the 2 as determined by the child advocacy center. The child
26 advocacy center shall be responsible for timely collection and

1 transmission of dependent premiums.

2 The Director shall annually determine rates of payment,
3 subject to the following constraints:

4 (1) In the first year of coverage, the rates shall be
5 equal to the amount normally charged to State employees for
6 elected optional coverages or for enrolled dependents
7 coverages or other contributory coverages on behalf of its
8 employees, adjusted for differences between State
9 employees and employees of the child advocacy center in
10 age, sex, geographic location, or other relevant
11 demographic variables, plus an amount sufficient to pay for
12 the additional administrative costs of providing coverage
13 to employees of the child advocacy center and their
14 dependents.

15 (2) In subsequent years, a further adjustment shall be
16 made to reflect the actual prior years' claims experience
17 of the employees of the child advocacy center.

18 Monthly payments by the child advocacy center or its
19 employees for group health insurance shall be deposited into
20 the Local Government Health Insurance Reserve Fund.

21 (Source: P.A. 100-587, eff. 6-4-18.)".